

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **December 14, 2004**

AGENDA ITEM NO.: 20

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Lynchburg Regional Airport Passenger Facility Charge (PFC) Application No. Four**

### RECOMMENDATION:

Authorize the continued imposition of a \$4.50 Passenger Facility Charge (PFC) for Federal Aviation Administration (FAA) approved projects at Lynchburg Regional Airport; authorize the City Manager to execute the necessary documents related to collection and use of PFC revenue.

### SUMMARY:

The PFC program is a congressionally authorized federal program that allows airports to directly fund certain airport projects through the imposition of a maximum \$4.50 fee on airline passengers. This fee is authorized by the FAA, collected by the airlines, and remitted to the airport monthly. Authority to impose the fee must be obtained through an application process with the FAA and the revenue must be used for eligible projects that were identified in the application. Authority is given to impose the fee for a specific period of time up to a specific total amount. Based on a forecasted 60,000 annual passenger enplanements at Lynchburg Regional Airport, a \$4.50 PFC is projected to generate approximately \$263,400 per year.

On October 1, 2004, a notice was sent to all affected airlines as required under PFC guidelines inviting representatives to a consultation meeting on November 3, 2004. Following that meeting, the airlines have a 30-day comment period to express their views on the application. Once that deadline expires, the final PFC application is scheduled to be submitted to the FAA in mid-December 2004, with final FAA approval expected within 120 days. Thereafter, collection is scheduled to commence on June 1, 2005 to coincide with the expiration of collection authority under PFC Application #3.

### PRIOR ACTION(S):

November 29, 2004                      Airport Commission resolution approving application

FISCAL IMPACT:                      An estimated \$263,400 annual revenue for airport projects.

CONTACT(S):                      Mark F. Courtney                      455-6089                      Airport Director

### ATTACHMENT(S):

- 1) Resolution
- 2) Projects worksheet

REVIEWED BY: lkp

## RESOLUTION

BE IT RESOLVED That approval is given for the continued imposition of a \$4.50 Passenger Facility Charge (PFC) for Federal Aviation Administration (FAA) approved projects at Lynchburg Regional Airport;

BE IT FURTHER RESOLVED That the City Manager is authorized to execute the necessary documents related to collection and use of PFC revenue.

Adopted:

Certified:

\_\_\_\_\_  
Clerk of Council

175L

**Lynchburg Regional Airport**  
**2004 Passenger Facility Charge Application - Proposed ROD#4**  
**9/30/04**

Project Description	Total Cost	Federal AIP		State Entitlement Funding	State Discretionary Funding	PFC Funded		
		Funding	Status <sup>1</sup>			Reimburse	Reimburse	
						State Entitlement	Local	PFC
<b><u>IMPOSE AND USE PROJECTS</u></b>								
1 Reimbursement of PFC Development, Administration Costs, and Debt Service	\$50,000	\$0	E	\$0	\$0	\$0	\$0	\$50,000
2 Passenger Terminal Debt Service	840,559	0	E	0	0	0	0	840,559
Sub-Total Impose and Use Projects	\$890,559	\$0		\$0	\$0	\$0	\$0	\$890,559
<b><u>IMPOSE ONLY PROJECTS</u></b>								
3 Runway 4-22 Extension (Phase IV - Construction)	\$8,000,000	\$6,175,000	E	\$325,000	\$0	\$0	\$0	\$1,500,000
4 Passenger Loading Bridge	300,000	0	E	100,000	0	0	0	200,000
5 Rehabilitation of Hangar 7 & 8 Ramp	300,000	0	E	240,000	0	0	0	60,000
Sub-Total Impose Only Projects	\$8,600,000	\$6,175,000		\$665,000	\$0	\$0	\$0	\$1,760,000
Total Impose and Use & Impose Only Projects	\$9,490,559	\$6,175,000		\$665,000	\$0	\$0	\$0	\$2,650,559
<b><u>ALTERNATE USE PROJECTS</u></b>								
Acquire ARFF Vehicle	\$375,000	\$0	E	\$0	\$0	\$0	\$0	\$375,000
Relocate ARFF Building	568,421	0	E	0	0	0	0	568,421
Construct Parallel Taxiway "A"	3,789,473	2,972,894	E	0	0	0	0	816,579
Total Alternate Use Projects	\$4,732,894	\$2,972,894		\$0	\$0	\$0	\$0	\$1,760,000

<sup>1</sup> Status data based on the most recent FAA Capital Improvement plan. "E" stands for eligible, "P" indicates programmed and "N" for not eligible for Federal AIP Funding.